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GAO blames Reagan for not telling Hill

✓ By Mary Belcher
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President Reagan — not the Defense Department — was responsible for notifying Congress when the Army sold weapons to the CIA destined for Iran, the General Accounting Office has determined.

In a report released yesterday, GAO told the congressional committees investigating the Iran-Contra affair that the Defense Department was not required to inform Congress of the arms transfers, which were authorized by Mr. Reagan in a Jan. 17, 1986, directive.

The directive "ensured that, as a practical matter, any responsibility for complying with congressional notification requirements regarding covert arms transfers remained with the president," according to GAO.

✓ Mr. Reagan instructed then-CIA Director William Casey not to tell Congress about the weapons transfer.

"Thus, the president's finding shifted any responsibility for con-

gressional notification from the agencies to the president," GAO reported.

Congress did not learn of the covert arms shipments until November 1986, when the story was first reported in a Lebanese publication.

House Speaker Jim Wright and other members of Congress have charged that Mr. Reagan broke laws requiring him to notify them about the secret operation.

Between February and November 1986, the Army in three shipments sold the CIA 2,008 TOW missiles and 3,976 spare parts for Hawk missiles. According to GAO, the Army underestimated the cost of the TOW missiles by about \$2.1 million, charging the CIA \$7.4 million.

The Army's inspector general in January arrived at a similar finding, but he said the CIA underpaid by \$2.6 million.

The Tower commission reported last month that Defense Secretary Caspar Weinberger argued against the sale of arms to Iran. After the president authorized the weapons deal in the January 1986 directive,

however, Mr. Weinberger agreed to sell the weapons to the CIA.

"I made clear that that was the only way that we would operate, that it had to be transferred to the CIA, not directly by us to anyone else because we couldn't do that," Mr. Weinberger told the Tower commission.

GAO reported that only six people in Mr. Weinberger's office knew the TOW missiles and spare Hawk parts were going to Iran.

"Although the arms were ultimately destined for Iran, from the Army perspective these transfers were being made to another U.S. agency, the CIA," GAO stated.

The Army sold the weapons and spare parts at cost to the CIA under the Economy Act, which the GAO determined was "proper."

Because the CIA then transferred the arms to Iran, the laws involved were those relating to "intelligence and special activities," rather than the Arms Export Control Act, which normally governs Pentagon arms sales to foreign governments and has explicit congressional notification rules.